

**1999 DRAFTING REQUEST**

**Bill**

Received: **10/12/98**

Received By: **kahlepj**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget 6-7329**

By/Representing: **Justus**

This file may be shown to any legislator: **NO**

Drafter: **kahlepj**

May Contact:

Alt. Drafters:

Subject: **Econ. Development - bus. dev.**  
**Econ. Development - misc.**

Extra Copies:

**Topic:**

DOA:.....Justus - Increase employes size limit to 100 under the business development initiative program

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kahlepj 10/12/98	gilfokm 10/12/98		_____			
/1			lpaasch 10/12/98	_____	lrb_docadmin 10/12/98		

FE Sent For:

<END>

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Page 1

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1?	kahlepj	11-10-12 King	10-12LP	10-12LP JS			

FE Sent For:

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high

Under current law, a 1.5% loan origination fee is assessed to Major Economic Development (MED) and Customized Labor Training (CLT) award recipients of \$200,000 or more. The proceeds from the fee are used to fund a grant specialist position and an auditor position. Since October 1997, the Department has collected approximately \$70,000 in loan origination fees; however, the proceeds are insufficient to support both positions, so the Department is currently holding the auditor position vacant.

Lowering the award threshold and broadening the applicability of the fee will ensure that sufficient funds are available to fund both the grant specialist and auditor positions.

low

F. Minority Business Early Planning Grant Program: Eliminate the 25% Cap

*Intent.* The Department proposes to eliminate the 25 % cap on the total amount of awards that can be made under the early planning component under s. 560.82 (4), Stats.

Demand for business development loans under the Minority Business Development Fund (MBDF) program is low, which is due, in part, to the need among for assistance with prior to applying for the loans.

Eliminating the cap allows the Department to satisfy minority entrepreneurs' demand for more assistance with business plans, feasibility studies, and marketing plans.

med

G. Business Development Initiative (BDI): Increase Employee Size Limit from 25 to 100 Employees

*Intent.* The Department proposes to amend s. 560.20 (1) (f), Stats., to raise the employee size limit from 25 to 100 employees.

The Business Development Initiative (BDI) program provides technical and financial assistance to small businesses to help with their start-up or expansion plans. In return, businesses are expected to provide employment opportunities for persons with severe disabilities. Under the program, a small business is defined as one that is for-profit and that has fewer than 25 employees.

Raising the employee size limit from 25 to 100 enables the BDI program to assist a larger segment of Wisconsin firms and to serve as a more effective leveraging tool for other programs that assist disabled persons.

low

H. BDI: Add Technical Assistance Providers as an Eligible Recipient of BDI Technical Assistance Grants on behalf of specific DVR Clients as part of s. 560.20, Stats.



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0551

PJK.....

DOA:.....Justus - Increase employes size limit to 100 under the business development initiative program

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

SOON  
(10-12)

do not  
you cut

1 AN ACT; relating to: increase the number of employes that a small business  
2 may have for the business development initiative program.

*Analysis by the Legislative Reference Bureau*  
**COMMERCE AND ECONOMIC DEVELOPMENT**  
**ECONOMIC DEVELOPMENT**

Under the business development initiative program, the department of commerce provides technical assistance, or a grant for technical assistance, for developing and planning the start-up or expansion of a business that is expected to provide job opportunities for persons with severe disabilities. Eligible recipients are individuals, small businesses and nonprofit organizations. A small business is defined as a for-profit business with fewer than 25 full-time employes. The bill changes the definition by increasing to fewer than 100 the number of employes that a business may have to be a small business.

thereby increasing the number of  
businesses eligible  
under the program

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

3 SECTION 1. 560.20 (1) (f) of the statutes is amended to read:

1           560.20 (1) (f) “Small business” means a for-profit business having fewer than  
2           ~~25~~ 100 full-time employes.

3           History: 1989 a. 342; 1989 a. 359 s. 382; 1993 a. 437; 1997 a. 79, 112.

(END)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0551/1  
PJK:kmg:lp

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FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

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